ARIZONA TAX NEWS

Jane Dee Hull, Governor

Mark W Killian, Director

Inside this issue:

DOR Commences with BR/ITS Project

As reported in our December edition, BR/ITS, the Department's reengineering project was put on hold, effective October 3, because of the sudden budget shortfall. The Legislature met and developed budget cuts to balance the budget to the new revenue projections. The Department has determined that, in spite of the cuts, it will be able to support the BR/ITS effort and therefore has reinstated the project. Lynette States, Change Management Executive, announced on Thursday, December 20, 2001 that the vendors had been notified by telephone that the project is recommencing and that official notification from the State Purchasing Office is eminent. Although there has been an official hiatus on the project, some of the vendors continued to work on their proposals. As a result, we are not as far behind on the project as we could be. February 15, 2002 is the new deadline for submission of completed proposals. An evaluation team, made up of members from inside and outside DOR, will look over the proposals and choose the one that makes the most sense for our customers, our stakeholders, and us. Once chosen, we will enter into negotiations with the successful vendor to complete a contract and start implementation. Implementation is tentatively scheduled for this summer.

BR/ITS was a popular topic at the recently completed Tax Talk Seminars. There was widespread agreement on the need to modernize the Department and a lot of enthusiasm for the improvements in service. Of particular interest was the reduction in erroneous billings caused by processing errors. Other favorites included the increase in the speed and accuracy of payment postings and the improved handling of POA forms. As the project rolls out, we will continue to ask for feedback from the practitioner community on how we can improve our service.

E-Mail Your Questions

If you have a question that you cannot find the answer to, our Technical Assistance personnel may prove useful to you. We will gladly respond to any e-mail technical tax inquiry. All inquiries will be responded to within two working days. E-mail your question to: TaxpayerAssistance@revenue.state.az.us

In the interest of maintaining confidentiality, DOR cannot respond to inquiries that include a Social Security number, FEIN, TPT or W/H number, or other specific taxpayer identifiers.

Amnesty for Individual Income Tax Filers

The Arizona Department of Revenue announces amnesty for certain Individual Income Tax filers. The amnesty allows for abatement or waiver of penalties remaining unpaid as of November 21, 2001. An application must be completed and submitted to the Arizona Department of Revenue. Full payment of all unpaid tax liability including interest for the taxable year applied for, **must** accompany the application when submitted. You may apply for amnesty beginning January 1, 2002. Application and payment are due by February 28, 2002.

REMINDER

FOR NON-EFT TPT FILERS

To avoid a delinquency, postmark your January 2002 TPT return no later than February 25, 2002 or deliver to DOR no later than February 27, 2002.

November Summary of General Fund Revenues

	November 2001	Fiscal Year Total
Individual Income Tax		
Net Collections	$149,226,956	$815,287,304
Percent Change *	2.0%	(1.1%)
Corporate Income Tax		
Net Collections	$(24,203,411)	$116,238,733
Percent Change *	34.4%	(32.2%)
Transaction Privilege, Severance & Use Taxes		
Net Collections	$247,204,854	$1,277,198,155
Percent Change *	2.5%	0.1%
Total Big Three Tax Types		
Net Collections	$372,228,399	$2,158,724,152
Percent Change *	6.2%	(2.9%)

( ) Decrease from same month last year.

*** Percent change from same month last year.**

Individual Income Tax

Individual Income Tax Receipts

	November 2001	**November 2000**	**%**
Gross Collections	$7,867,982	$6,745,307	16.6
Withholding	195,858,874	196,501,572	(.03)
Refunds	(19,343,519)	(23,902,420)	(19.1)
Urban Rev Sharing	(35,156,381)	(33,037,720)	6.4
Net Collections	**$149,226,956**	**$146,306,739**	**2.0**
Fiscal Year Total	**(01/02)**	**(00/01)**	**%**
Gross Collections	$131,508,468	$133,145,563	(1.2)
Withholding	957,626,673	941,305,437	1.7
Refunds	(98,065,931)	(84,514,574)	16.0
Urban Rev Sharing	(175,781,905)	(165,188,600)	6.4
Net Collections	**$845,287,304**	**$824,747,827**	**(1.1)**

Included in the refund amounts above are refunds relating to the alternative fuel vehicle income tax credit. In November $4,161,099 in alternative fuel vehicle credits were processed. After offsetting $2,223,744 in tax liability, refunds for this credit totaled $1,937,355. This amount does not include withholding and estimated payments returned to taxpayers because their liability was covered by the alternative fuel vehicle credit. Additional refunds were paid out of corporate income tax.

TAX CALENDAR

FEBRUARY 2002

Due Date		For Period Ending
15	Income Tax Returns:	10/31/01
	Form 120: Corporation	
	Form 140: Individual	
	Form 141: Fiduciary	
	Form 165: Partnership	
15	Form 120: Corporation with Automatic Extension	4/30/01
15	Form 120S: S Corporation	11/30/01
15	Exempt Organizations	
	Form 99: Annual Information Return	9/30/01
	Form 99T: Unrelated Business Income	9/30/01
	Form 120ES: Estimated Tax Payment, Corporation	
	First Installment	10/31/02
	Second Installment	8/31/02
	Third Installment	5/31/02
	Fourth Installment	2/28/02
18	State Holiday - President's Day	
	All State offices closed	
20	Form TPT-1: Transaction Privilege Tax:	
	January Monthly Filers	1/31/02
20	Bingo: Financial Reports	1/31/02
20	Luxury Tax: Various Forms	1/31/02
25	EFT Form TPT-1 and Payment:	
	Transaction Privilege Tax:	
	January Monthly Filers,	1/31/02
28	Withholding Tax: Form A-1R	12/31/01
	Withholding Tax: Form A1-APR	12/31/01

Withholding Tax Payment Information:

If the average amount of Arizona income taxes withheld in the preceding four calendar quarters **exceeds** $1,500 the employer must make its Arizona withholding payments to the Department of Revenue at the same time as the employer is required to make federal withholding deposits.

If the average amount of Arizona income taxes withheld in the preceding four calendar quarters **does not exceed** $1,500 the employer must make its Arizona withholding payments to the department on a quarterly basis.

The Arizona Tax News is a monthly publication of the Arizona Department of Revenue. Information contained herein is of a general nature and is not designed to address complex issues in detail. Taxpayers requiring information concerning a specific tax matter should contact the appropriate office. This newsletter is available in alternative formats upon request by calling the telephone number shown below. Subscription information may be obtained from: **Tony Manzo** at (602) 542-4672.

Alternative Fuel Vehicle Report for November, 2001

December 5, 2001
Pursuant to A.R.S. §§43-1086, 43-1086.01, 43-1086.02, 43-1174, 4-1174.01 and 43-1174.02, credits are allowed for the following:

- The purchase or lease of an alternative fuel vehicle;
- The purchase and installation of a vehicle refueling apparatus;
- The construction or operation of an alternative fuel delivery system.

The taxpayer shall claim the credit with the filing of the Arizona income tax return.
In accordance with S.B. 1004, Section 37 (A), the Director of the Department of Revenue shall report the following amounts related to:

- The aggregate dollar amount of alternative fuel related credits claimed under sections 43-1086, 43-1086.01, 43-1086.02, 43-1174, 43-1174.01 and 43-1174.02, Arizona Revised Statutes, on income tax returns during the preceding calendar month.

For the period of November 1 through November 30, 2001, the department received 94 individual income tax returns with claims for alternative fuel related credits totaling $1.8 million. A total of 5,171 individual income tax returns with claims have been received from January through November, totaling $99.1 million in credit. The department also received 4 corporate income tax returns in November with claims for alternative fuel related credits totaling $1.0 million. A total of 151 corporate income tax returns with claims have been received from January through November, totaling $15.6 million in credit.

- The dollar amount of verified credits claimed in the preceding calendar month not used to offset income taxes under title 43, Arizona Revised Statutes.

For the period November 1 through November 30, 2001, the department issued 229 individual income tax refunds for alternative fuel related credits. There was $4,161,099 in AFV credits on these 229 returns. After offsetting $2,223,744 in liability, $1,937,355 was refunded. The department issued 18 corporate refunds for alternative fuel related credits. There was $2,616,103 in AFV credit on these 18 returns. After offsetting $46,440 in liability, $2,569,663 was refunded. **Combining the corporate and individual income tax return amounts results in $4,507,018 that should be transferred from the Budget Stabilization Fund into the General Fund for November 2001**. In last fiscal year, $66,360,441 was paid from the Budget Stabilization Fund into the General Fund. In this fiscal year, $17,459,422 is the total to be paid from the Budget Stabilization Fund, putting the overall total coming from the Budget Stabilization Fund for alternative fuel vehicle credits at $83,819,863.

- The cumulative dollar amount of the credits claimed in all taxable years, beginning from and after December 31, 2000.

The cumulative dollar amount of credits (individual and corporate) claimed is $114.7 million.

- Any estimated amounts remaining to be claimed as credits in each fiscal year.

Through November, 5,322 (corporate and individual) claims have been received. Those claims reviewed include 5,132 claims for 5,620 vehicles, 23 claims for

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Arizona Transaction Privilege Tax Ruling TPR 01-3

ISSUE:
The deduction from the tax base under the prime contracting classification and the retail classification for soil remediation activities and materials.

APPLICABLE LAW:
Arizona Revised Statutes (A.R.S.) § 42-5075(B)(6) provides a deduction from the tax base under the prime contracting classification for the gross proceeds of sales or gross income from a contract to provide certain actions in response to a release or suspected release of a hazardous substance, pollutant, or contaminant from a facility to the environment, unless the release was authorized by a permit issued by a governmental authority. This exemption does not include asbestos removal or the construction or use of pollution control equipment, facilities, or other control items.

Laws 1995, Chapter 276, Section 4 provides that this provision applies retroactively to taxable periods beginning from and after December 31, 1986.

Laws 1997, Chapter 287, Section 38, effective April 29, 1997, added A.R.S. § 49-290(H) which provides that the state shall not impose a tax on the sale or purchase of tangible personal property incorporated or fabricated into any real property, structure, project, development, or improvement under a contract specified in A.R.S. § 42-5075(B)(6).

A.R.S. §§ 42-5061(A)(27), 42-5075 and 42-5159(A)(13)(g) provide deductions from transaction privilege and use tax on the sale of tangible personal property sold to a person engaged in business under the prime contracting classification if the property so sold is to be used in environmental response or remediation activities under A.R.S. § 42-5075(B)(6).

Laws 1999, Chapter 246, provides deductions under A.R.S. §§ 42-5061(A)(53) and 42-5159(A)(47) for sales and purchases of tangible personal property to be incorporated or installed as part of environmental response or remediation activities under A.R.S. § 42-5075(B)(6). These provisions apply retroactively to taxable periods beginning from and after December 31, 1996.

DISCUSSION:
A deduction from the tax base under the prime contracting classification is allowed for the gross proceeds of sales or gross income from contracts to perform the following actions in response to releases or suspected releases of hazardous substances, pollutants, or contaminants from a facility

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refueling stations and 566 claims for refueling apparatus. (Claims that have not yet been reviewed are not included in this count.) While most returns for 2000 filers have been received, there may be additional claims made through late filers and amended returns. Also, according to grant applications, there are taxpayers who will first qualify for a credit on their 2001 tax returns.. At this time, the department has no independent means of estimating the amount yet to be claimed.

If you should have any questions, please contact Anthony Forschino at (602) 542-4672.

Very truly yours,

Mark W. Killian
Director

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to the environment, unless the release was authorized by a permit issued by a governmental authority:

- ♦ Monitoring, assessing, and evaluating the release or suspected release;
- ♦ The excavation, removal, and transportation of contaminated soil;
- ♦ Treatment of contaminated soil to reduce the concentration, toxicity, or mobility of a contaminant;
- ♦ Pumping and treatment, either on-site or off-site, of contaminated groundwater to reduce the concentration or toxicity of a contaminant;
- ♦ Installation of structures to contain contaminates present in groundwater or soil and prevent them from threatening human health or welfare or the environment.

The deduction does not include asbestos removal or the construction or use of ancillary structures such as maintenance sheds, offices or storage facilities for unattached equipment, pollution control equipment, facilities, or other control items required to be used by a person to prevent or control contamination before it reaches the environment.

Occasionally a contract may include both taxable and nontaxable activities. When a contract includes both taxable and nontaxable activities, the gross proceeds of sales or gross income derived from performing the nontaxable activities may be deducted from the tax base if the nontaxable activities are separately stated or can be determined from the contract. However, if the gross proceeds of sales or gross income from the otherwise nontaxable activities are not separately stated or cannot be determined from the contract, the gross proceeds of sales or gross income derived from the project is subject to tax under the prime contracting classification.

EXAMPLES

1) A prime contractor enters into a contract for $10,000 to remove an underground storage tank that the landowner suspects is releasing pollutants into the ground and contaminating the soil. The contract includes removal of the overburden, removal of the storage tank, testing of the soil to determine whether it is contaminated, and returning the land to its prior condition if the land is not contaminated. The entire contract is subject to tax under the prime contracting classification unless the amount attributable to testing the soil is separately stated or can be determined from the contract.

2) A prime contractor enters into a contract for $10,000 to remove an underground storage tank that is releasing pollutants into the ground and contaminating the soil and to remove the contaminated soil and/or provide necessary treatment of the soil. If the contract separately itemizes the soil testing, treatment and removal from the storage tank removal, the testing, treatment and removal are exempt and the storage tank removal is taxable under the prime contracting classification. If the cost of the testing, removal and treatment of the soil are not separately stated and cannot be determined from the contract, the entire amount is taxable under the prime contracting classification.

3) A contractor enters into a contract to remove an underground storage tank so the landowner can install a swimming pool. The landowner has no reason to believe the storage tank is contaminating the ground. The entire contract is subject to tax under the prime contracting classification.

Materials Purchased for Use in the Exempt Activity

A retailer's sale of certain materials to a prime contractor is exempt under A.R.S. § 42-5061(A)(27). However, until April 29, 1997, this exemption was not available for materials used in performing activities

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exempt from tax under Laws 1995, Chapter 276.

Prior to April 29, 1997, all materials purchased for use in the treatment of contaminated soil were subject to transaction privilege tax. A prime contractor or subcontractor purchasing materials to be used in these activities should not have given the vendor an exemption certificate in order to purchase materials exempt from transaction privilege tax. If transaction privilege tax was not paid on the materials when they were purchased (for example, if a contractor used materials out of its construction business inventory), the prime contractor or subcontractor is subject to use tax on the cost of the materials. If a contractor purchased these materials with an exemption certificate, the contractor is subject to an amount equal to tax, penalties, and interest under A.R.S. § 42-5009(E).

Effective April 29, 1997, an exemption was provided for materials used in environmental response or remediation activities under A.R.S. § 42-5075(B)(6). Therefore, sales of materials that are used in environmental response or remediation activities under A.R.S. § 42-5075(B)(6) on or after April 29, 1997 are not subject to the transaction privilege or use tax. This exemption does not include materials used or consumed by the contractor that are not incorporated or fabricated into the real property.

Effective January 1, 1997, tangible personal property to be incorporated or installed as part of environmental response or remediation activities is exempt when sold to or purchased by persons not subject to tax under the prime contracting classification pursuant to A.R.S. §§ 42-5061(A)(53) and 42-5159(A)(47). Similar to the exemption for sales to and purchases by prime contractors, this exemption does not apply to materials used or consumed by the person that are not incorporated or installed into the real property.

RULING:

1) Gross proceeds from contracts entered into exclusively for the monitoring, assessing, or evaluating a release or suspected release of contaminants into the soil or groundwater, as described above in the discussion section of this ruling, is exempt from taxation under the prime contracting classification unless the release was authorized by a permit issued by a governmental authority.

2) Gross proceeds from contracts entered into exclusively for the removal, transportation, and treatment of contaminated soil or groundwater as described above in the discussion section of this ruling, is exempt from taxation under the prime contracting classification unless the release was authorized by a permit issued by a governmental authority.

3) When a contract contains both the nontaxable activities described in 1) and 2) above, and other activities, the gross proceeds from the activities described in 1) and 2) are exempt from tax under the prime contracting classification only if the proceeds attributable to this work are separately itemized within the contract or are identifiable from the contract.

This ruling does not address asbestos removal or the construction or use of pollution control equipment, facilities, or other control items.

Mark W. Killian, Director
Signed: November 26, 2001

Alternative Preparer Tax Identification Numbers (PTIN)

Tax preparers may use their Preparer Tax Identification Numbers (PTIN's) in lieu of their social security numbers on all income tax forms filed after January 1, 2000. The PTIN is a number issued by the Internal Revenue Service to tax preparers to use on the tax returns they prepare for their clients. The federal legislation authorizing the use of PTIN's was passed in 1998. Recently the IRS announced it would make available their database of preparers and their PTIN's to state taxing agencies. By having access to this information, the Department of Revenue is able to accept the tax preparers' PTIN in lieu of their social security numbers. Now preparers have a choice to use their social security number or PTIN. To obtain a PTIN, the tax preparer should contact the IRS and ask for Form W-7P, Application for Preparer tax Identification Number.

Further information regarding this information can be obtained by calling (602) 255-3381

Arizona's Master Settlement Agreement

On November 23, 1998, leading United States tobacco product manufacturers entered into a settlement agreement, entitled the "master settlement agreement" with the state of Arizona. The master settlement agreement obligates the participating manufacturers, in return for a release of past, present and certain future claims against them, to pay substantial sums to the state (tied in part to their volume of sales); to fund a national foundation devoted to the interests of public health; and to make substantial changes in their advertising and marketing practices and corporate culture, with the intention of reducing underage smoking.

It would be contrary to the policy of the state if tobacco product manufacturers who determine not to enter into such a settlement could use a resulting cost advantage to derive large short-term profits in the years before liability may arise without ensuring that the state will have an eventual source of recovery from them if they are proven to have acted culpably. It is thus in the interest of the state to require that such non-participating manufacturers establish a reserve fund to guarantee a source of compensation and to prevent such non-participating manufacturers from deriving large, short-term profits and then becoming judgment-proof before liability may arise.

It is the responsibility of the Office of the Attorney General, in co-operation with the Arizona Department of Revenue, to ensure that each non-participating manufacturer, who's product is sold in the state of Arizona, establish such a fund, and to ensure that the amounts deposited into the funds are an accurate representation of the amount of product sold in Arizona by each non-participating manufacturer.

If you need more information, please contact the Luxury Tax Section at:
(602) 542-4643

Arizona General Tax Procedure
GTP 01-4

Acceptance of Faxed Returns Under Certain Circumstances

(This procedure supersedes in part GTP 94-4)

<u>ISSUE</u>:

Under what circumstances may a taxpayer fax a return to the department and have the faxed return serve as the taxpayer's filed return?

<u>APPLICABLE LAW</u>:

Arizona Revised Statutes (A.R.S.) § 42-1105(B) provides (in pertinent part):

> While the department is adopting a rule prescribing alternative methods for signing, subscribing or verifying a return, statement or other document, the director, by tax ruling, may waive the requirement of a signature for a particular type or class of return, statement or other document required to be filed with the department.

Use Tax

A.R.S. § 42-5162(A) requires "every retailer engaged in the business of making sales of tangible personal property the use, storage or consumption of which is subject to the tax imposed by this article, and every person who purchases for use, storage or consumption any such property for which the tax is not paid to the retailer" to file a return on a form prescribed by the department that is "verified by oath or affirmation of the retailer or person making the report or his agent."

Transaction Privilege and Affiliated Excise Taxes

A.R.S. § 42-5014(E) provides:

> The taxpayer shall prepare a return showing the amount of the tax for which the taxpayer is liable for the preceding month, and shall mail or deliver the return to the department in the same manner and time as prescribed for the payment of taxes in subsection A of this section. The return shall be verified by the oath of the taxpayer or an authorized agent or as prescribed by the department pursuant to section 42-1105, subsection B.

Income Taxes

A.R.S. § 43-321(1) provides that all returns filed pursuant to Title 43 of the Arizona Revised Statutes, "shall contain or be verified by a declaration that it is made under penalties of perjury."

<u>DISCUSSION</u>:

On November 26, 2001, the department began the rulemaking process by opening a docket with the Secretary of State for a rule that would allow the department to receive certain returns by facsimile and have those returns serve as the taxpayer's originally filed return bearing the taxpayer's signature. The Docket Opening was published on December 21, 2001 in 7 A.A.R. 5726. Pursuant to A.R.S. § 42-1105(B), while the department is adopting a rule to provide

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for alternative signatures, the Director may waive the signature requirement for certain classes or types of returns that are required to be filed with the department.
By issuing this Tax Procedure, the Director is waiving the signature requirement for all types of returns identified in this Tax Procedure and filed in accordance with this Tax Procedure.

PROCEDURE:
The department will accept the following returns by facsimile when filed in accordance with the requirements following each identified type of return.
Transaction Privilege Tax Returns (Form TPT-1) when requested by department personnel from either the Collections, Customer Service or Process Management Function areas and faxed with the cover sheet identifying the name of the person requesting the return and the function area which is requesting the return.
Individual Income Tax Returns, Corporate Income Tax Returns, and Withholding Returns when requested by department personnel from either the Customer Service or Collections Function area and faxed with the cover sheet identifying the name of the person requesting the return and the function area which is requesting the return.

Any return sent to the department via facsimile that is not submitted in accordance with the foregoing shall not be treated as a filed return.

Taxpayers sending a return to the department by facsimile pursuant to this Tax Procedure should keep a copy of the facsimile receipt as evidence that the return was sent to the department at the time and date listed on the receipt.

Mark W. Killian, Director
Signed: December 20, 2001

Arizona Individual Income Tax Ruling ITR 01-3

(Effective for Taxable Years Beginning From and After December 31, 2001)

ISSUE:
What does the term "Arizona income tax liability due on the taxpayer's return" mean for purposes of Arizona Revised Statutes § 43-581(D) (Payment of estimated tax)?

APPLICABLE LAW:
Arizona Revised Statutes (A.R.S.) § 42-1125(P) provides a civil penalty if a taxpayer fails to pay the full amount of estimated tax required by A.R.S. § 43-581.

A.R.S. § 43-581(A) provides that taxpayers whose Arizona gross income exceeds $75,000 ($150,000 if a joint return is filed) and whose Arizona gross income was greater than $75,000 in the preceding taxable year ($150,000 if a joint return is filed) shall make payments of estimated tax during the individual's tax year.

A.R.S. § 43-581(D) provides that no penalties will be assessed for failure to make estimated payments if the taxpayer's Arizona income tax liability due on the taxpayer's return is less than $1,000.

DISCUSSION:
The purpose of this tax ruling is to provide assistance to taxpayers with respect to the meaning of the term "Arizona income tax liability due on the taxpayer's return".

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For taxable years beginning from and after December 31, 2001, A.R.S. § 43-581(D) provides that if the taxpayer does not pay the estimated tax required by A.R.S. § 43-581(A) on or before the prescribed due dates, there is assessed, and the department shall collect, a penalty upon the unpaid amount as prescribed by A.R.S. § 42-1125(P). However, the statute provides an exception that no penalties will be assessed if the taxpayer's Arizona income tax liability due on the taxpayer's return is less than $1,000.

For purposes of this exception, the term "Arizona income tax liability due on the taxpayer's return" means the amount of tax shown on the return reduced by any amounts not received by the department directly from the taxpayer. Amounts not received directly from the taxpayer consist of Arizona income tax withheld during the taxable year and any credits claimed by the taxpayer. The amount of tax shown on the return is not reduced by any direct payment from the taxpayer such as an estimated tax payment or payment with a filing extension application.

<u>Example 1</u>:
Mary is a single Arizona taxpayer. In 2001, Mary had Arizona gross income of $160,000. In 2002, Mary has Arizona gross income of $145,000. Mary does not make any Arizona estimated tax payments in 2002. On her 2002 individual income tax return, Mary claims a standard deduction. Mary also shows Arizona income tax withholding of $4,500 and claims a credit of $500 for contributions to a school tuition organization. To determine whether she is subject to penalty, Mary calculates her Arizona income tax liability due on her return as follows:

Arizona gross income
$145,000

Less Personal exemption
$2,100
Standard deduction <u>4,050</u>
<u>6,150</u>
Taxable income 138,850

Tax shown on return $
5,896

Less Arizona tax withheld
$4,500

Credit for contribution
to school tuition
organization <u>500</u>
$<u> 5,000</u>

Arizona tax liability due
on return $ 896

Since Mary's Arizona tax liability due on her return is less than $1,000 she is not obligated to make estimated tax payments and is not subject to penalty for failure to make estimated tax payments.

<u>RULING</u>:
For purposes of A.R.S. § 43-581(D), the term "Arizona income tax liability due on the taxpayer's return" means the amount of tax shown on the return reduced by Arizona income tax withheld during the taxable year and any allowable credits claimed by the taxpayer.

Mark W. Killian, Director
Signed: December 19, 2001

Pinetop / Lakeside Change In Town Tax Code Effective January 1, 2002

On October 4, 2001 the Mayor and Town Council of Pinetop-Lakeside passed ordinance 01-195 adding Code Section 8A-447 and Regulation 8A-447.1 to its Town Tax Code.

Ordinance 01-195 establishes an Additional Tax on Transient Lodging of 3%. The Additional Tax on Transient Lodging shall be reported using Code PP3.

The total city rate for transient lodging is 5.5%, 2.5% which is reported using code PP and 3% which is reported using code PP3.

Application for Filing Extension (Arizona Form 204)

Reminder…
An individual or fiduciary, filing an income tax return for an estate or trust, may use Form 204 to request both a 4-month extension and an extra 2-month extension. The 4-month extension is automatic, while the department will grant an extra 2-month extension for good cause. Starting with the 1999 tax year (forms that are filed in 2000), a person that used the Form 204 to request a 4-month extension will not have to sign the Form 204. A person that uses the Form 204 to request an extra 2-month extension must sign the Form 204.

Don't Forget…
Tax practitioners who are considering the use of a software package to prepare Arizona tax forms should verify with the Department of Revenue (DOR) that the software considered has been approved. All tax forms must be approved by the department prior to usage. Each specific form must have approval. Click here for a current list of approved software packages.

NOTE: Some of the software packages do not provide sufficient room for the preprinted DOR label. Please cut the label to fit the available space or place it so that pertinent information is not covered.

State of Arizona Department of Revenue Forms and Tax Information CD-ROM 2001 Edition

Includes:
- Arizona tax forms and instructions from 1995 – 2001
- Department of Revenue Tax Rulings
- Department of Revenue Tax Procedures
- Department of Revenue Private Taxpayer Rulings
- Arizona Department of Revenue Annual Report 2001
- Arizona E-File Manual

Also Includes:
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